THE MANITOBA MUNICIPAL EMPLOYEE BENEFITS FUND

FIFTH ANNUAL REPORT

For the Year ended December 31, 1981

NOTICE TO PARTICIPANTS

Information about the Pension Plan and Group Insurance Plan is given in a blue and white brochure titled "Your Pension and Group Insurance Plans".

You are invited to ask the office of the Municipal Employees Benefits Board, at any time, for information about your membership in the Plans.

If you want to visit the Board Office, it would be appreciated if you would first telephone or write for an appointment so that we may get the information you want ready for your visit.

When communicating with the Board Office, please give:

1. Your name, and the name of you municipality.
2. The subject you want to discuss, so that you can be referred to the appropriate staff member.
3. The date of birth of your wife or husband, if you want estimates of retirement pensions that continue to your beneficiary after your death.

The telephone number of the Board is 233-8722 and the mailing address is:

Municipal Employees Benefits Board
600-400 Tache Avenue
(opposite St. Boniface Hospital)
Winnipeg, Manitoba
R2H 3C3

FIFTH ANNUAL REPORT

OF THE

MUNICIPAL EMPLOYEES BENEFITS BOARD

To the Honourable A.R. Adam
Minister Responsible for The Municipal Act

We submit the Fifth Annual Report of the Municipal Employees Benefits Board for the year ended December 31, 1981.

HIGHLIGHTS OF 1981

Municipal Pension Plan	1981	1980
Book Value of Investments	$14,463,759	$10,879,864
Employee Contributions	$1,262,233	$1,032,653
Employee Prior Service Payments	$124,195	$92,764
Employer Contributions	$1,263,298	$1,032,715
Pension Payments	$140,443	$82,845
Refund of Contributions & Interest	$283,298	$183,498
General Expenses	$120,392	$103,557
Participants in Fund	1,703	1,518
Pensioners & Other Recipients	91	71
Terminated Employees	183	138
Employers Participating	238	237
Disability Part of the Pension Plan		
Employers Participating	174	N/A
Employee Contributions	$49,415	N/A
Employer Contributions	$46,532	N/A
Employees in Receipt of Disability Benefits	1	N/A
Municipal Group Life Insurance Plan		
Employers Participating	199	196
Premiums	$177,618	$116,866
Death Claims	$142,000	$137,618

Municipality and Employee Participation

A total of 190 municipalities plus 48 quasi-municipal organizations were participating in the Pension Plan as at December 31, 1981. This represents approximately 96% of all Manitoba municipalities. The participating municipalities that have contributing members are listed on the Statement of Pension Payments and Contributions of the Provincial Auditor's Report.

There were 392 employees who became members of the Pension Plan in 1981. As of December 31, 1981, there were 1,703 employees participating in the Pension Plan (which includes 61 members who were advised to remain in their prior pension plan but who contribute to the Disability Part of the Pension Plan) versus 1,518 employees participating as of December 31, 1980.

Pension Benefits

During the year covered by this Report, pensions paid totalled $140,443, a net increase of $57,598 over 1980. There were 84 pensioners, 3 beneficiaries of pensioners who died, and 4 spouses of employees who died in service receiving pensions as at December 31, 1981. During 1981, there were 23 new retirements and 1 new automatic 15 year guaranteed pension payable to the spouse of an employee who died in service. These pensioners elected the following pension options:

Pension reducing to one-half at pensioner's death	3
Pension reducing to two-thirds at pensioner's death	4
10 Year Guarantee	2
15 Year Guarantee	3
Lifetime Pension	11
Total	23

Note: The majority of pensioners who elected the lifetime pension were either single or had small pensions due to short service.

There were also 7 employees who terminated during 1981 and chose paid-up pensions. As at December 31, 1981, there were 20 employees with paid-up pensions.

Effective July 1, 1981, the Municipal Employees Benefits Board (MEBB) approved an additional option to the Pension Plan whereby persons who retire early may receive an advance on their Old Age Security and/or their Canada Pension by "integrating" with their MEBB Pension. Persons who retire early and choose to integrate their pension receive approximately the same amount of total pension income both before and after age 65.

Cost-of-Living Adjustment in Pensions

Effective July 1, 1981, a cost-of-living adjustment was paid to eligible pensioners and to beneficiaries receiving pensions in respect of deceased pensioners who retired before July 1, 1980. The adjustment was limited to 50% of the 11.2% increase in the Consumer Price Index for 1980 and amounted to 5.6%. The adjustment was calculated whereby each retired employee who was entitled to the full increase would receive 48¢ a month for each year of pensionable service to a maximum of 35 years plus 2.8% of the ordinary lifetime pension.

The increase granted to beneficiaries of retired employees is two-thirds of the increase which would have been granted had the retired employee been alive at the date the increase is granted. The adjustment will be paid for the pensioner's lifetime and two-thirds shall continue for the beneficiary's lifetime.

The three year cost-of-living adjustment payable for life was financed by allocating $183,400 from the actuarial surplus as at December 31, 1979 and adjustments in pensions shall also be made on July 1, 1982 and July 1, 1983. The matter of providing adjustments each July subsequent to 1983 shall be reviewed by the Board following the next triennial valuation of the Fund as at December 31, 1982.

Refunds

During 1981 there were 176 employees who terminated and received refunds of contributions and interest amounting to $235,888 whereas in 1980 there were 134 employees who terminated and received refunds of $170,931. The estates of 7 employees who died received refunds of employee and employer contributions and interest amounting to $47,410.

At December 31, 1981 there was a total of 11 employees with deferred Manitoba reciprocating pensions based on the best 7 years earnings prior to retirement with the new Manitoba public sector employer. During 1981 there was an additional member for a total of 5 former contributors who have elected to transfer employee and employer contributions under reciprocal agreement.

Recognition of Prior Employment with Manitoba Municipalities

During 1981, prior carriers retained and invested $60,280 as funds deposited with investment managers in respect of contributions made to prior pension plans.

The Municipal Employees Benefits Board also received remittances for prior non-pensionable employment from 35 employees in the amount of $124,195 and from employers for 5 employees totalling $6,150 during 1981.

Reciprocal Agreements

Reciprocal agreements permitting the transfer of pension credits between the Municipal Employees Benefits Board and the following pension plan authorities were in effect on December 31, 1981:

Alberta Local Authorities Pension Board
Saskatchewan Municipal Employees Superannuation Commission
Government of Canada — Public Service Pension Plan

Disability Part of the Pension Plan

The Board implemented a Disability Part of the Pension Plan effective June 1, 1981 following several requests from employers and a survey of participating municipalities. As at December 31, 1981, there were 174 municipalities and quasi-municipal organizations participating. The rate of contributions to the Disability Part of the Pension Plan is equal to 1% of regular yearly earnings and may be:

(a) shared by the municipality and the employee; or

(b) paid entirely by the municipality; or

(c) paid entirely by the employee.

For the first seven months ending December 31, 1981, contributions amounted to $95,947.

The minimum total disability pension benefit is 60% of the annual average of the employee's last 13 weeks of bi-weekly earnings less any other income from benefit plans to which his employer contributes such as Canada Pension, Workers' Compensation, etc. The maximum benefit is 85% of the above-mentioned average annual earnings. The benefit is calculated using the pension formula plus pensionable service to date of disability plus projected total service to age 65. To minimize costs and to prevent selection against the Disability Part of the Pension Plan, the period of payment is related to the period of municipal service prior to disability. Less than one year of service — disability pension is payable for a maximum of one year; more than one year but less than five years — disability pension is payable for a maximum of five years; five years or more — disability pension is payable to age 65. At age 65, the normal retirement pension becomes payable and includes in the calculation the pensionable service credits for each year the employee was receiving the disability benefit.

As at December 31, 1981, there was one person receiving benefits under the Disability Part of the Pension Plan.

Investments

A net total of $3,583,895 was invested in 1981 versus $2,747,716 in 1980. Included in 1981 investments were transfers from prior carriers in the amount of $60,280. Total investments as at December 31, 1981 amounted to $14,463,759 compared to $10,879,864 as at December 31, 1980. Included in the above was a total of $345,000 in short-term investments as at December 31, 1981.

The average yield on net bonds purchased by the Municipal Employees Benefits Board was 16.92% in 1981.

The following comparative table illustrates the Fund's investment holdings:

	1981 (000's)	1980 (000's)	Increase (Decrease) (000's)
Bonds & Debentures			
Federal & Provincials	$ 1,506	$ 722	$ 784
City & Municipal	651	651	–
Corporate	1,045	669	376
Sub-total	3,202	2,042	1,160
NHA Mortgages	548	381	167
Pooled Real Estate	603	529	74
Funds deposited with Trust and Insurance Companies	9,766	7,878	1,888
Short-term Certificates	345	50	295
Total	$14,464	$10,880	$3,584

The Fund also committed $250,000 to an equity investment in an oil company which has been formed jointly with approximately 15 other Canadian pension funds. This company, Canadian Pencrown Resources Ltd., will be wholly owned and control-

led by Canadian pension funds, and organized to participate in the oil and gas industry in Canada on a tax exempt basis.

An amount of $34,652 was transferred to the Investment Reserve which increased the Reserve to $92,862 as at December 31, 1981.

Informational Seminars and Employee Benefit Statements

One informational seminar was conducted during 1981. The Annual Benefit Statement indicating members' status, which includes contributions, pensionable service, current and projected pension benefits and the amount of group insurance protection were distributed to each member. In addition, each member received a copy of the prior year's Annual Report.

Group Life Insurance

A total of 156 municipalities plus 43 quasi-municipal organizations were participating in the Group Insurance Plan as at December 31, 1981. Insurance contributions for 1981 amounted to $177,618 which consisted of employee contributions of $97,039 and employer contributions of $80,579.

There were 6 death claims during 1981 totalling $142,000. In 1980 there were 6 death claims totalling $137,618.

There was $34,559 in the Insurance Reserve as at December 31, 1981 versus $26,948 as at December 31, 1980.

Board Meetings

During the period of this Report, the Board held three meetings plus several sub-committee meetings.

Acknowledgements

The Board acknowledges with respect and appreciation the dedication and contribution made to the Board by Mr. Nick Wiebe who served as a Board member from July 1, 1978 to June 1, 1981. The Board welcomes the appointment of Mr. Doug Fletcher, Mayor of the Town of Carman and representative of the Manitoba Association of Urban Municipalities. The Board also thanks and appreciates the continued support of its staff and the staff of the Superannuation Board as well as the devotion, competence and initiative they demonstrated in performing their duties during the last year.

Attached Statements

We submit the Provincial Auditor's Report and Financial Statements for the year ended December 31, 1981.

Respectfully submitted,

THE MUNICIPAL EMPLOYEES BENEFITS BOARD

G.D. Forrest, Chairman

Members

A. Chapman
T. Clark
D. Fletcher
F. Woodmass

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE MUNICIPAL EMPLOYEE BENEFITS FUND

AUDITOR'S REPORT

I report that the financial statements of The Municipal Employee Benefits Fund have been examined under my direction for the fiscal year ended December 31, 1981. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements, being Exhibits A to D and Schedules 1 and 2, together with the notes thereto, present fairly the financial position of The Municipal Employee Benefits Fund as at December 31, 1981 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied, except for the matter explained in note 1(d), on a basis consistent with that of the preceding year.

W.K. Ziprick, C.A.,
Provincial Auditor.

July 16, 1982,
Winnipeg, Manitoba.

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Exhibit A

Balance Sheet
as at December 31, 1981
(with 1980 figures for comparison)

THE PENSION FUND

ASSETS

	1981	1980
Cash in bank	$ 34,217	$ 80,910
Employees' and employers' contributions receivable	285,516	241,852
Investments, Schedule 1, Note 1(a)	14,463,759	10,879,864
Accrued interest on investments	104,500	58,164
Deferred charges, less accumulated amortization, Note 1(c)	—	34,049
	$14,887,992	$11,294,839

LIABILITIES

	1981	1980
Cheques outstanding	$ 41,654	$ 82,964
Accounts payable and accrued liabilities	16,891	16,933
Fixed income investment reserve, Exhibit D, Note 1(b)	92,862	57,160
Reserve for present and future pension benefits, Exhibit B	14,736,585	11,137,782
	$14,887,992	$11,294,839

THE INSURANCE FUND

ASSETS

Cash in bank	$ 55,411	$ 41,610
Employees' and employers contributions receivable	59	540
Prepaid insurance premiums	6,425	308
Accrued bank interest	621	14
	$ 62,516	$ 42,472
	$14,950,508	$11,337,311

LIABILITIES

Cheques outstanding	$ 20,367	$ 9,502
Accounts payable	7,590	6,022
Reserve for present and future insurance benefits, Exhibit C	34,559	26,948
	$ 62,516	$ 42,472
	$14,950,508	$11,337,311

Exhibit B

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Changes in the Reserve for Present and Future Pension Benefits for the year ended December 31, 1981 (with 1980 figures for comparison)

Additions during the year:	1981	1980
Pension contributions: Schedule 2:		
Employers' contributions based on remuneration		
Regular	$ 1,263,298	$1,032,715
Regular — prior non-pensionable employment	6,150	12,656
Long term disability, Note 2	46,532	—
Employees' contributions based on remuneration:		
Regular	1,262,233	1,032,653
Regular — prior non-pensionable employment	124,195	92,764
Long term disability, Note 2	49,415	—
Transfer from prior carriers, Note 3	60,280	173,574
Total contributions	2,812,103	2,344,362
Investment income:		
Fixed income, Note 1(a)(i)		
Interest	418,325	263,817
Amortization of discounts	8,333	3,382
Funds on deposit with insurance and trust companies	867,397	625,709
Transfer to fixed income investment reserve, Exhibit D, Note 1(a)(i)	(34,652)	(25,878)
Real estate equity income, Note 1(a)(ii)	74,176	28,766
Total fixed and real estate equity investment income	1,333,579	895,796
Total additions	4,145,682	3,240,158
Deductions during the year:		
Pension payments	140,443	82,845
Refund of employer excess contributions transferred in prior year by prior carrier including interest	1,681	47,314
Refund of employer contributions	137	2,893
Refund of employees' contributions including interest, Note 1(d)	235,888	170,931
Refund of deceased employees' contributions including interest, Note 1(d)	47,410	12,567
Refund of unused portion of deceased pensioners' contributions together with interest	486	—
Refund of employees' long term disability contributions together with interest	385	—
Refund of deceased employees' long term disability contributions together with interest	57	—
General expenses, Note 4	75,948	42,403
Actuarial fees	10,395	27,107
Amortization of deferred charges, Note 1(c)	34,049	34,047
Total deductions	546,879	420,107
Net increase for the year	3,598,803	2,820,051
Balance at beginning of year	11,137,782	8,317,731
Balance at end of year, Exhibit A	$14,736,585	$11,137,782

Exhibit C

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Changes in the Reserve for Present and Future Insurance Benefits for the year ended December 31, 1981 (with 1980 figures for comparison)

Additions during the year:	1981	1980
Insurance contributions:		
Employees	$ 97,039	$ 65,286
Employers	80,579	51,580
Total contributions	177,618	116,866
Bank interest	7,772	4,660
Total additions	185,390	121,526
Deductions during the year:		
Actuarial fees	5,445	9,856
Premium to The Prudential Assurance Company Limited	172,334	111,480
Total deductions	177,779	121,336
Net increase for the year	7,611	190
Balance at beginning of year	26,948	26,758
Balance at end of year, Exhibit A	$ 34,559	$ 26,948

Exhibit D

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Changes in the Fixed Income Investment Reserve for the year ended December 31, 1981 (with 1980 figures for comparison)

Additions during the year:	1981	1980
Transfer in accordance with investment policy, Note 1(a) Exhibit B	$34,652	$25,878
Net credit on purchase, sale or redemption of bonds and debentures	1,050	169
Increase for the year	35,702	26,047
Balance, beginning of year	57,160	31,113
Balance, end of year, Exhibit A	$92,862	$57,160

Schedule 1

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Summary of Investments as at December 31, 1981

	Par Value	Book Value
Fixed income investments:		
Bonds and debentures issued by, or guaranteed by, the following:		
Canada	$1,585,000	$1,506,452
Municipal corporations	651,000	651,000
Corporations	1,050,000	1,044,900
	$3,286,000	3,202,352
Short-term investments with the Minister of Finance	$ 345,000	345,000
Mortgages — National Housing Act (Canada)	$ 547,719	547,719
Funds deposited with insurance and trust companies, Note 3		9,765,746
Total fixed income investments at amortized cost, Note 1(a)(i)		13,860,817
Real estate equity investments:		
Units of pooled real estate, at equity accounting method, Note 1(a)(ii)		602,942
Total investments, Exhibit A		$14,463,759

Schedule 2
Page 1

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions for the year ended December 31, 1981

Municipal corporations	Employers' contributions	Employees' contributions	Total
Cities			
Brandon	$ 254,295	$ 254,295	$ 508,590
Flin Flon	46,141	46,141	92,282
Portage la Prairie	53,819	53,819	107,638
Thompson	123,264	123,264	246,528
	477,519	477,519	955,038
Local government districts			
Alexander	2,901	2,859	5,760
Alonsa	404	404	808
Armstrong	582	582	1,164
Churchill	24,886	24,886	49,772
Consol	1,061	1,061	2,122
Fisher	1,747	1,747	3,494
Gillam	22,371	22,371	44,742
Grahamdale	517	517	1,034
Grand Rapids	2,008	2,006	4,014
Mountain	194	194	388
Mystery Lake	9,414	9,414	18,828
Pinawa	11,656	11,730	23,386
Reynolds	190	190	380
	77,931	77,961	155,892
Rural municipalities			
Albert	665	665	1,330
Argyle	3,177	3,177	6,354
Arthur	2,477	2,477	4,954
Bifrost	3,618	3,618	7,236
Birtle	2,326	2,326	4,652
Blanshard	1,225	1,225	2,450
Boulton	665	665	1,330
Brenda	4,458	4,458	8,916
Brokenhead	4,389	4,389	8,778
Cameron	2,503	2,503	5,006
Subtotal, carried forward	$ 25,503	$ 25,503	$ 51,006

Schedule 2
Page 2

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions
for the year ended December 31, 1981

Municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 25,503	$ 25,503	$51,006
Rural municipalities (cont.)			
Cartier	4,794	4,794	9,588
Clanwilliam	1,029	1,029	2,058
Coldwell	1,334	1,334	2,668
Cornwallis	2,153	2,153	4,306
Daly	895	895	1,790
Dauphin	4,707	4,707	9,414
De Salaberry	5,563	5,563	11,126
Dufferin	3,995	3,995	7,990
East St. Paul	8,909	8,909	17,818
Edward	4,148	4,139	8,287
Ellice	539	539	1,078
Elton	2,569	2,569	5,138
Eriksdale	1,383	1,383	2,766
Franklin	5,794	5,794	11,588
Gilbert Plains	2,637	2,637	5,274
Gimli	4,273	4,273	8,546
Glenella	1,070	1,070	2,140
Glenwood	1,335	1,335	2,670
Grandview	2,994	2,994	5,988
Grey	4,704	4,704	9,408
Hamiota	2,966	2,966	5,932
Hanover	6,999	6,999	13,998
Harrison	2,237	2,237	4,474
Hillsburg	1,647	1,647	3,294
La Broquerie	1,805	1,805	3,610
Lac du Bonnet	6,124	6,124	12,248
Lakeview	1,005	1,005	2,010
Langford	2,541	2,541	5,082
Lansdowne	2,325	2,325	4,650
Lawrence	1,629	1,629	3,258
Lorne	5,611	5,611	11,222
Louise	3,148	3,148	6,296
Macdonald	11,935	11,935	23,870
McCreary	1,101	1,101	2,202
Miniota	3,273	3,273	6,546
Minitonas	4,258	4,258	8,516
Minto	1,970	1,970	3,940
Subtotal, carried forward	$ 150,902	$ 150,893	$ 301,795

Schedule 2
Page 3

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1981

Municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 150,902	$ 150,893	$ 301,795
Rural municipalities (cont.)			
Montcalm	5,783	5,783	11,566
Morris	12,125	12,125	24,250
Morton	2,081	2,081	4,162
Mossey River	1,082	1,082	2,164
North Cypress	3,915	3,915	7,830
North Norfolk	6,506	6,506	13,012
Ochre River	1,230	1,230	2,460
Odanah	1,285	1,285	2,570
Pembina	5,195	5,195	10,390
Pipestone	5,879	5,879	11,758
Portage la Prairie	13,749	13,749	27,498
Rhineland	6,859	6,859	13,718
Ritchot	5,486	5,486	10,972
Roblin	3,023	3,023	6,046
Rockwood	7,077	7,077	14,154
Roland	2,144	2,144	4,288
Rosedale	3,321	3,321	6,642
Rosser	2,472	2,472	4,944
Russell	494	494	988
St. Andrews	7,867	7,867	15,734
Ste. Anne	2,653	2,653	5,306
St. Clements	7,497	7,497	14,994
St. Francois Xavier	1,027	1,027	2,054
St. Laurent	1,000	1,000	2,000
Ste. Rose	1,406	1,406	2,812
Saskatchewan	2,587	2,587	5,174
Shellmouth	1,357	1,357	2,714
Shell River	3,199	3,199	6,398
Shoal Lake	653	653	1,306
Sifton	1,548	1,548	3,096
Siglunes	2,060	2,060	4,120
Silver Creek	1,822	1,822	3,644
South Cypress	1,855	1,855	3,710
South Norfolk	1,226	1,226	2,452
Springfield	9,896	9,896	19,792
Subtotal, carried forward	$ 288,261	$ 288,252	$ 576,513

Schedule 2
Page 4

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1981

Municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 288,261	$ 288,252	$ 576,513
Rural municipalities (cont.)			
Stanley	6,888	6,888	13,776
Strathclair	942	942	1,884
Strathcona	1,408	1,408	2,816
Swan River	5,159	5,159	10,318
Tache	3,037	3,037	6,074
Thompson	4,557	4,557	9,114
Turtle Mountain	3,148	3,148	6,296
Victoria	2,667	2,667	5,334
Victoria Beach	2,592	2,570	5,162
Wallace	3,117	3,117	6,234
Westbourne	4,253	4,253	8,506
West St. Paul	4,430	4,430	8,860
Whitehead	1,296	1,296	2,592
Whitemouth	2,716	2,716	5,432
Whitewater	2,541	2,541	5,082
Winchester	3,698	3,698	7,396
Woodlands	2,843	2,843	5,686
Woodworth	3,088	3,088	6,176
	346,641	346,610	693,251
Towns			
Altona	11,441	11,441	22,882
Beausejour	5,186	5,186	10,372
Birtle	1,886	1,886	3,772
Bo ssevain	3,992	3,992	7,984
Carberry	3,375	3,375	6,750
Carman	4,307	4,307	8,614
Dauphin	28,825	28,825	57,650
Deloraine	1,627	1,627	3,254
Emerson	2,503	2,503	5,006
Gimli	4,721	4,721	9,442
Gladstone	2,197	2,197	4,394
Grandview	3,302	3,302	6,604
Killarney	4,044	4,044	8,088
Subtotal, carried forward	$ 77,406	$ 77,406	$ 154,812

Schedule 2
Page 5

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions
for the year ended December 31, 1981

Municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 77,406	$ 77,406	$ 154,812
Towns (cont.)			
Melita	2,355	2,355	4,710
Minnedosa	9,143	9,143	18,286
Morden	10,763	10,763	21,526
Morris	3,299	3,299	6,598
Neepawa	11,008	11,008	22,016
Rivers	2,570	2,570	5,140
Roblin	3,243	3,243	6,486
Russell	3,108	3,108	6,216
Selkirk	38,540	38,540	77,080
Snow Lake	5,989	5,989	11,978
Souris	5,788	5,788	11,576
Steinbach	20,605	20,605	41,210
Stonewall	4,932	4,932	9,864
Swan River	12,480	12,480	24,960
The Pas	20,692	20,692	41,384
Virden	6,985	6,985	13,970
Winkler	11,412	11,412	22,824
Winnipeg Beach	3,362	3,362	6,724
	253,680	253,680	507,360
Villages			
Arborg	2,305	2,305	4,610
Benito	1,072	1,072	2,144
Binscarth	560	560	1,120
Cartwright	605	605	1,210
Crystal City	944	944	1,888
Dunnottar	3,576	3,576	7,152
Erickson	1,421	1,421	2,842
Gilbert Plains	1,677	1,677	3,354
Glenboro	907	907	1,814
Gretna	1,073	1,079	2,152
Hamiota	2,163	2,163	4,326
Subtotal, carried forward	$ 16,303	$ 16,309	$ 32,612

Schedule 2
Page 6

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions for the year ended December 31, 1981

Municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 16,303	$ 16,309	$ 32,612
Villages (cont.)			
Lac du Bonnet	1,851	1,851	3,702
MacGregor	1,193	1,193	2,386
Manitou	1,119	1,119	2,238
McCreary	544	544	1,088
Minitonas	639	639	1,278
Niverville	1,589	1,589	3,178
Notre Dame de Lourdes	503	503	1,006
Pilot Mound	2,086	1,026	3,112
Plum Coulee	1,463	1,463	2,926
Powerview	927	927	1,854
Riverton	387	387	774
Ste. Anne	3,031	3,031	6,062
St. Claude	895	895	1,790
St. Lazare	508	508	1,016
St. Pierre Jolys	667	667	1,334
Ste. Rose du Lac	1,464	1,464	2,928
Shoal Lake	2,020	2,020	4,040
Somerset	1,454	1,454	2,908
Teulon	1,698	1,698	3,396
Treherne	2,100	2,100	4,200
Waskada	491	491	982
Wawanesa	370	370	740
Winnipegosis	3,512	3,502	7,014
	46,814	45,750	92,564
Quasi-municipal organizations			
Weed control boards and districts			
Agassiz	561	561	1,122
Argyle-Lorne-Somerset	638	638	1,276
Arthur-Edward	596	596	1,192
Boissevain-Morton-Whitewater	665	665	1,330
Brenda-Winchester	581	581	1,162
Franklin	550	550	1,100
Gilbert Plains-Grandview	594	594	1,188
Subtotal, carried forward	$ 4,185	$ 4,185	$ 8,370

Schedule 2
Page 7

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions for the year ended December 31, 1981

Quasi-municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 4,185	$ 4,185	$ 8,370
Weed control boards and districts (cont.)			
Louise-Roblin	665	665	1,330
Macdonald	905	905	1,810
North Norfolk and District	794	794	1,588
North Cypress	599	599	1,198
Oakland-South Cypress	594	594	1,188
Pembina-Manitou	665	665	1,330
Pipestone-Albert	668	668	1,336
Rosedale-Langford-Neepawa	494	494	988
Selkirk	838	838	1,676
South Central	594	594	1,188
Springfield-Tache	695	695	1,390
Stanley-Thompson	576	576	1,152
	12,272	12,272	24,544
Other			
Boissevain-Morton Regional Library	349	349	698
Boyne Regional Library	422	422	844
Brokenhead River Planning District	590	590	1,180
Brandon & Area Planning District	5,212	5,212	10,424
Carberry Plains Cemetery	316	316	632
Carberry Plains Community Centre Bd.	316	316	632
Carman-Dufferin Recreation Commission	1,137	1,137	2,274
Unincorporated Village District of Cranberry Portage	1,660	1,660	3,320
Cypress Planning District	252	252	504
Flin Flon Recreation Commission	9,987	9,987	19,974
Hamiota Municipal Park Incorporated	581	581	1,162
Man. Assoc. of Urban Municipalities	428	428	856
Minnedosa Regional Library	453	453	906
Subtotal, carried forward	$ 21,703	$ 21,703	$ 43,406

Schedule 2
Page 8

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions for the year ended December 31, 1981

Quasi-municipal corporations	Employers' contributions	Employees' contributions	Total
Subtotal, brought forward	$ 21,703	$ 21,703	$ 43,406
Other (cont.)			
Morden-Stanley-Winkler Planning District	1,232	1,232	2,464
Municipal Employees Benefits Board	1,046	1,046	2,092
North Cypress-Carberry-Elton Recreation District	493	493	986
Neepawa & Area Planning District	425	425	850
Reston District Library Board	779	779	1,558
Selkirk and District Planning Area Board	4,067	4,067	8,134
South Central Regional Library Board	1,249	1,249	2,498
South Interlake Planning District Board	1,398	1,398	2,796
Turtle River Watershed Conservation District #2	218	218	436
Union of Manitoba Municipalities	1,678	1,678	3,356
Western Manitoba Centennial Auditorium	2,510	2,510	5,020
Western Manitoba Regional Library Board	4,946	4,946	9,892
Whitemud-Watershed Conservation District #1	6,697	6,697	13,394
	48,441	48,441	96,882
Subtotal	1,263,298	1,262,233	2,525,531
Contributions based on prior non-pensionable employment	6,150	124,195	130,345
Long term disability contributions	46,532	49,415	95,947
	$1,315,980	$1,435,843	2,751,823
Transfer from prior carriers			60,280
Total pension contributions, Exhibit B			$2,812,103

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Notes to the Financial Statements for the year ended December 31, 1981

1. Significant Accounting Policies:

The significant accounting policies are summarized below.

(a) The investment income measurement policies consist of:

(i) Fixed income investments:

Premiums on bonds and debentures in excess of one percent of par value are amortized on a straight line basis over the remaining term and are charged to the investment reserve. All other premiums on investments are charged to the investment reserve in the year of acquisition.

Discounts on bonds and debentures within or equal to one percent of par value are credited to income in the year of acquisition. All other discounts on investments are amortized on a straight line basis over the remaining or renewable term and are credited to income.

Investment income is reduced annually by ¼ of 1% of the book value of investments to a maximum of the reserve not exceeding 3% of the book value of the investments and the amount of the reduction is credited to the investment reserve.

Differences between amounts realized from the maturity, redemption or sale of investments and their book value are reflected in the investment reserve.

(ii) Real estate equity investments:

Pooled real estate investments are recorded at cost plus the proportionate share of earnings reported by the property manager.

(b) Fixed income investment reserve:

The fixed income investment reserve, shown in the Balance Sheet, does not reflect a valuation of the investments, but is maintained to stabilize and even out the investment income.

(c) Deferred charges:

Deferred charges in respect of organizational and other charges which have been capitalized have been amortized on a straight line basis terminating in 1981. As at December 31, 1981, an amount of $152,936 has been amortized (1980 - $118,887).

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Notes to the Financial Statements for the year ended December 31, 1981

(d) Refunds:

Effective with the year ended December 31, 1980, as explained in the notes to the financial statements for the preceding year, the Board changed to a cash method of accounting for refunds of contributions. As a result the 1980 refund figures are not comparable to the extent that they include the reversal of refunds payable at December 31, 1979 of $23,063.

2. Establishment of Disability Part of Pension Plan:

Effective June 1, 1981 a long term disability part of the Pension Plan was implemented to provide a disability pension based on credited pensionable service to the date of disability plus service which would have been provided to age 65. The long term disability part of the Pension Plan also provides for contributions based on employees' remunerations; the total contributions for 1981 amounted to $95,947.

3. Transfers from Prior Carriers:

The Municipal Employees Benefits Board's actuary has been arranging, on behalf of the Board, for the transfer of funds pertaining to municipal employees prior service from prior carriers for employees who have agreed to have these funds transferred to the Fund. As at December 31, 1981, transfers have been made amounting to $3,454,959 (1980 - $3,394,679). A small amount still remains to be transferred.

The funds transferred remain with prior carriers who are holding them in trust for the Fund in accordance with the terms of the contracts. These contracts provide that the Fund, with minor restrictions, can take complete control of the funds with the following exceptions: one contract may not be terminated until April 1, 1988; one contract reserves the right to limit withdrawals of funds of 25% in any one year of the funds on deposit; and two contracts provide for penalties commencing at 5% and reducing progressively until eliminated by 1986 and 1991.

These funds are included in Schedule 1 as part of Funds deposited with insurance and trust companies. As a result of the transfers, the Board assumes responsibility for the related pension liabilities.

4. Administrative Services:

The Municipal Employees Benefits Board entered into an agreement with The Civil Service Superannuation Board to provide administrative services to The Municipal Employees Benefits Board with regard to its pension plan and group insurance plan operations. In accordance with the terms of the agreement, The Municipal Employees Benefits Board reimburses The Civil Service Superannuation Board

for the cost of these services. During the year under review, the administrative services reimbursement amounted to $33,802 (1980 - $17,997).

5. Cost-of-living Adjustment in Pensions:

   An Order-in-Council, approved on January 13, 1982, provides for partial indexing of pensions effective July 1, 1981, based on the increase in the consumer price index to a maximum of 6%, for the years 1981, 1982 and 1983.

6. Actuarial Reports:

   The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with The Municipal Act, an actuarial report on the Fund is required every three years. The first actuarial report on the Pension Fund as at January 1, 1980 disclosed a surplus of $1,216,061. The first actuarial report on the Insurance Fund as at January 1, 1980 disclosed a deficit of $373,709. The Actuary, in his report, stated that the existence of a deficit in the Insurance Fund should not be a cause for concern at this time. The financial position of the Fund is expected to improve in the future based on a further improvement in claims experience and higher investment earnings.

7. Insurance Experience Rating:

   An experience rating refund is payable by The Prudential Assurance Company Limited to the Board under the following conditions:

   (a) when the surplus as determined in accordance with the policy exceeds 50% of premiums paid in the policy year just ended, and/or;

   (b) upon termination of the policy.

   There was a deficit of $23,680 as at December 31, 1980 (1979 - surplus of $15,833).